

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. 199 IAC 7.11(3)"b" (RPU-02-3)
---	---

ORDER GRANTING PETITION FOR APPROVAL OF TRUST ACCOUNT

(Issued December 31, 2003)

On December 3, 2003, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) a petition for approval of a trust account. Specifically, IPL requested that the Board approve the establishment of a separate account under its current Firststar Trust agreement for post-employment benefits other than pensions (OPEB) associated with employees of Alliant Energy Corporate Services, Inc. (AECS). AECS is a subsidiary of Alliant Energy, the parent of IPL. AECS is responsible for providing various administrative functions to IPL and other Alliant Energy subsidiaries. No objections to the petition were filed.

Pursuant to 199 IAC 199-7.11(3)"b", the Board must approve all such trust agreements. The existing trust agreements were approved by Board orders in Docket Nos. RPU-92-8, RPU-92-9, RPU-92-11, and 199 IAC 7.11(3). The initial trust agreement approved by the Board has been modified to reflect mergers of various IPL predecessors and other changes to the agreement. In IPL's recent rate case, Docket Nos. RPU-02-3 and RPU-02-8, the Board instructed IPL to file for approval of

the trust account for OPEB costs associated with AECS employees. IPL proposes to establish a separate account under its current trust agreement for these costs.

Subrule 199 IAC 7.11(3)"c" provides, in part, that in order to be included in utility rates, OPEB costs must "have been funded in a board-approved, segregated and restricted trust account," The trust agreements for IPL, which have been previously approved by the Board, provide for segregated and restricted accounts. In the current filing, IPL only seeks to establish a separate account under the existing trust agreement for OPEB costs associated with AECS employees.

The Board will grant the petition. IPL is reminded that, pursuant to the Board's rules, any funds returned from the trust not actually used for OPEB costs must be refunded to customers in a manner approved by the Board.

IT IS THEREFORE ORDERED:

The "Petition of Interstate Power and Light Company for Approval of Trust Account," filed on December 3, 2003, is granted.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Sharon Mayer
Executive Secretary, Assistant to

Dated at Des Moines, Iowa, this 31st day of December, 2003.